

## Direct Care Staff Wage Enhancement Funding Guidelines

**Application for this direct care staff wage enhancement is voluntary. If you chose to apply, the following guidelines will be applicable.**

### Background and Introduction:

The Budget Act of 2006-2007 authorized the Department of Developmental Services (Department) to provide \$19.1 ML in rate increases, statewide, to enhance wages<sup>1</sup> of direct care staff<sup>2</sup> in work activity programs, day programs, and look-alike programs when any of the following criteria are met:

- The program provides a majority of its services and supports in integrated community settings (Welfare and Institutions Code Section 4691.8(a)(1));
- The day program is in the process of converting to integrated community settings (WIC Section 4691.8(a)(2));
- The work activity program is in the process of converting to supported work programs (WIC Section 4691.8(a)(3)).

As required by law, the following guidelines for the wage enhancement funding were developed in consultation with stakeholders, including various provider organizations, the regional centers and other interested parties.

### A. Determination of Eligible Programs

1. The Department will approve a rate increase for the purpose of wage enhancement when the program provides day program, look-alike day program, and/or work activity program services and supports under one of the following service codes.

#### Allowable Service Types

Service Code	Service Type	Self-Certification Required under 4(a), or 4(b) or 4(c)	Self-Certification Required under 4(a)
028	Socialization Training Program	X	
048	Behavior Intervention Training	X	
055	Community Integration Training Program		X
063	Community Activities Support Services		X
091	Mobile Day Program	X	
094	Creative Art Program	X	
605	Adaptive Skills Trainer	X	
635	Independent Living Specialist		X
505	Activity Center	X	
510	Adult Development Center	X	

<sup>1</sup> “Wages” means payment for labor or services to a worker including paid sick leave and/or vacation but not medical, dental, etc. benefits or agency administrative costs.

<sup>2</sup> “Direct care staff” means staff that personally provides direct services to consumers. For purposes of this allocation, eligible staff must provide direct care 75% of the time to be considered eligible for the wage enhancement. Personnel who are responsible for other staff functions may be considered direct care staff only during that time when they are providing direct services to consumers or are involved in program preparation functions as defined in Title 17, California Code of Regulations, Section 54302.

515	Behavior Management	X	
520	Independent Living		X
525	Social Recreation	X	
805	Infant Development Program		X
954	Work Activity Program	X	

2. Only providers who make application, including self-certification, to the Department shall be considered for the rate increase.
3. Programs with service codes 055, 063, 635, 520, and 805 meet criteria established in 4.a. of these guidelines and are automatically deemed eligible to apply. Programs with these service codes are to self certify under criteria 4 a.
4. Each applicant shall self-certify to one of the following:
  - a. To receive a permanent rate increase, the program<sup>3</sup> is **a day program, look- alike day program, or work activity program** in which consumers, in the aggregate,<sup>4</sup> currently spend and will continue to spend 51% or greater of the program day in integrated community<sup>5</sup> settings. (WIC Section 4691.8(a)(1))
  - b. To be eligible for a provisional rate increase, the program is **a day program or look- alike day program** and self-certifies that, by June 30, 2008, consumers, in the aggregate, will spend and plan to continue to spend 51% or greater of the program day in integrated community settings. (WIC Section 4691.8(a)(2)). Providers who achieve, in the aggregate, consumers spending 51% or greater of the program day in the community by June 30, 2008, will receive a permanent rate increase.
  - c. WIC Section 4691.8(a)(1) requires **a work activity program** to “provide a majority of their services and supports in integrated community settings” to receive a permanent rate increase. For a work activity program, “providing a majority of their services and supports in integrated community settings” is defined as having transitioned 51% of the consumers (based on the enrollment census listed on the turnaround invoice(s) for June 2006) from the work activity program to supported employment (individual placement service code 952 or group placement service code 950).

To be eligible for a provisional rate increase, a work activity program must be working towards qualifying for a permanent rate increase and agree to complete all the following:

- i. Transition 10% of the consumers served (based on the enrollment census listed on the turnaround invoice(s) for June 2006) into a supported employment program (individual placement service code 952 or group placement service code 950) by December 11, 2007 with a commensurate 10% net reduction in census.

<sup>3</sup> A program is defined as a single regional center vendor number and service code combination. For example, agency XYZ, Inc., provides two different service types under the same vendor code (Vendor Code H00001), an Activity Center (Service Code 505) and an Adult Development Center (Service Code 510).

<sup>4</sup> Calculation of consumer participation in community activities is calculated for the aggregate of consumers served in each program. In the aggregate the consumers must participate 51% of the program day in community-based activities.

<sup>5</sup> Some providers are also vendored to provide transportation and other services. These other services are not to be considered in calculating percentage of time in community.

- ii. Develop a plan in consultation with the vendoring regional center and submit the plan to the Department by June 30, 2007.
  - iii. The plan must specify a timeline and process for achieving 51% net reduction (of the consumer census for June, 2006) by the date specified in the timeline.
  - iv. To maintain eligibility for the provisional rate increase, by June 30<sup>th</sup> of each FY, the work activity program must provide documentation demonstrating conformity to the timeline of this plan each year the plan is in effect.
5. By December 11, 2006, providers must submit an application, including self-certification and cost data information to the Department. The Department will forward the information to the vendoring regional center. The applicant agrees to keep records that will verify the eligibility criteria under which the self-certification was submitted, including but not limited to, documentation of time consumers participate in community activities or documentation of job placement and net reduction in work activity program enrollment. In addition, programs agree to maintain records documenting the amount in the aggregate of hourly wage increases for eligible staff.
6. Information provided may be audited by either the regional center or the Department.

## **B. Submission of Required Information for each Program Requesting the Supplemental Rate Increase**

### **YEAR 1 (FY 2006-07)**

By December 11, 2006 each applicant<sup>6</sup> must submit via the web application<sup>7</sup> on the Department's website:

#### **Program Information:**

1. Name, address, phone number, email and contact information (of the person knowledgeable about this information, if questions arise).
2. Vendor number and service code.
3. Name of vendoring and utilizing regional center(s).
4. Name, address, phone number, email and contact information of the Executive Director (or owner as applicable) certifying this information.

#### **Required Data:**

1. The total number of consumers paid for (on the turnaround invoice(s) during the month of June 2006) for this vendor number and service code.  
(Note: generally the invoice is submitted in July for payment of services provided in June; this is the number of consumers who received services in June 2006 even if paid in July or later.)

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<sup>6</sup> One application must be completed for each program which is identified by the vendor number and service code, for example: vendor number HZ0001 plus service code 999 would be one program.

<sup>7</sup> Instructions to go to the electronic application and certification website were included in the Department's cover letter to potential applicants. Instructions to complete the application are on the website.

2. The total amount paid<sup>8</sup> to the program by all regional centers for this vendor number and service code for all services rendered in the quarter of April, May and June of 2006.
3. The rate paid for this vendor number and service code as of June 30, 2006 (as found on the Regional Center turnaround invoice).
4. The following required data is about direct care staff (defined as working in this vendor number and service code with consumers for 75% of all hours paid):
  - a. The total number of hours (including paid sick leave and/or vacation) that all identified direct care staff worked during the month of June 2006.
  - b. The total wages paid (including paid sick leave and/or vacation but not medical, dental, vision, retirement, Social Security, Medicare, Federal and State Unemployment Insurance and worker's compensation benefits) to those identified direct care staff for the month of June 2006.

## **YEAR 2 AND SUBSEQUENT YEARS FOR PROGRAMS WITH A PROVISIONAL RATE**

By December 11, 2007 (and every December 11 as applicable), each program (vendor number and service code combination) that received a provisional supplemental rate increase must submit via the website hosted by the Department the following information:

### **Program Information:**

1. Name, address, phone number, email and contact information (of the person knowledgeable about this information, if questions arise).
2. Vendor number and service code.
3. Name of vendoring and utilizing regional center(s).
4. Name, address, phone number, email and contact information plus confirmation of the Executive Director (or owner as applicable) certifying this information.

### **Required Data:**

1. The total number of consumers paid for (on the turnaround invoice(s)) during the month of June 2007 for this vendor number and service code.
2. The total amount paid to the program by all Regional Centers for this vendor number and service code for all services rendered in the quarter of April, May and June 2007.
3. The percentage of time consumers spent in the community during the period April, May and June 2007 (as calculated by the total number of hours consumers spent in the community versus the total hours consumers attended the program). The percentage is reported in the aggregate for each vendor number and service code.
4. The following required information is about Direct Care Staff defined as working with consumers for 75% of all hours paid for this particular vendor number and service code:
  - a. The total number of hours (including paid sick leave and/or vacation) that all identified direct care staff worked for the month of June 2007.

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<sup>8</sup> Payments include both payments made during the regular billing cycle and any adjustments paid at a later date for the specific months of service listed.

- b. The total wages paid (including paid sick leave and/or vacation but not medical, dental, vision, retirement, Social Security, Medicare, Federal and State Unemployment Insurance and worker's comp benefits) to those identified direct care staff for the month of June 2007)

The Department will calculate:

1. The average number of Full Time Equivalent (FTE) at the rate of 2080 hours/staff/year.
2. Calculate the statewide aggregate average hourly wage paid to direct care staff during FY 2005-06 and FY 2006-07.
3. The number of programs that received an enhanced rate, by regional center.
4. The percentage of the rate increase, and
5. Rates for those programs for which the Department sets rates.

### **C. Methodology to Determine Rate Increase and Report to the Legislature:**

To Determine the Rate Increase:

1. The amount of the rate increase will be calculated as a percentage using the total historical payment made for the services provided.
2. Each eligible program will receive the same percentage increase.

To Report to the Legislature:

1. The Department shall compute the rate increase, as a statewide aggregate, utilizing the information submitted by programs on or before the due date.
2. The Department will calculate the percentage increase based on historical payment data extracted from the Department's Uniform Fiscal System Database.

### **D. Allocation of Rate Increase**

1. The entire \$19.1 ML will be allocated for the intended purpose. The Department anticipates that by January 2007, notification to regional centers and service providers of the amount of the rate increase will be sent. Allocation of the funds to regional centers will be in the January 2007 C-2 contract amendment.
2. The Department will issue rate letters for Department established rates and provide regional centers with information about the amount of the rate increase for negotiated rate programs. Rates will be effective July 1, 2006.
3. Providers shall only use the rate increase amount to increase wages of direct care staff and to fund required employment related costs (social security, unemployment, worker's comp). No more than 16.76% of the wage enhancement can be used for employment related costs.

## **E. Implementation and Compliance Requirements**

1. Programs can provide a wage/salary adjustment retroactively to July 1, 2006 or to the start date of the eligible direct care staff person if hired after July 1, 2006. Providers that have been determined to be eligible and provided the increase to their staff pending the implementation of this process will be considered to have applied the rate increase appropriately.

The legislation requires the funding be used to enhance wages. Funds from the initial retroactive payment to the provider may be distributed as a one-time payment to qualified staff. However, all provisional and permanent rate increase funding must be utilized solely for the ongoing purpose of enhancing direct care staff wages.

2. The wage enhancements can only apply to eligible positions, including substitutes and temporary positions, as of July 1, 2006.
3. Providers will be required to submit the following information to the Department:
  - a. For providers qualifying under A.4.a and A.4.b., on June 30, 2007, the percentage of the program day consumers, in the aggregate, currently spend in the community;
  - b. For providers qualifying under A.4.c., the number of consumers placed in supported employment and/or self-employment and the number of consumers in the work activity program as of June 30, 2007, and June 30, 2008 and on June 30, of each year for the duration of the plan.
  - c. For all qualifying providers, documentation of the amount in the aggregate of hourly wage increases for eligible staff on February 1, 2007.
4. Providers who are eligible under A.4.a and A3. will be given a permanent rate adjustment.
5. Providers who self-certify under A.4.b and A.4.c will receive a provisional rate until the documentation required in E.3 is submitted to the Department.
6. Providers who fail to submit required documentation specified in E.3. or fail to meet the requirements chosen for self-certification will be returned to their rate prior to the provisional rate adjustment.